



2022 ANNUAL REPORT

Fiscal Year July 1st, 2021 - June 30th, 2022

MESSAGE FROM THE BOARD

It goes without saying that 2022 has continued to challenge many of us. Whether it was inflation, politics, whatever is in the news on a given day, personal challenges, or a changing landscape for many in this nation, life can feel pretty heavy these days. Despite all the challenges in front of us, FRFC has continued to make significant forward progress. We have surpassed our goal of 1,000 owners, partnered with Itasca Economic Development Corporation to help begin a rebranding process, continue working on our financial pro forma, and site selection gets closer every month to landing a physical home for the co-op.

As the board representing each of you, we are honored to work on your behalf, and we appreciate your continued support and patience. Opening a food co-op is a complicated and very involved process that must be handled with purpose and caution to ensure the long-term success of the venture. We do all of this with your investment in mind.

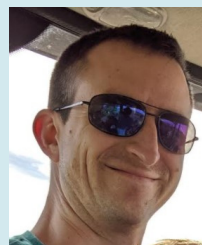
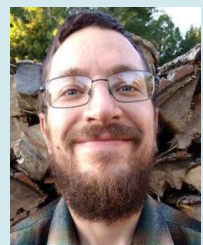
At this juncture in our journey, it feels pertinent to highlight the fact that the board has three vacancies and a relatively small pool of active volunteers. This means a small group of people is doing all of the hard work. We could hire consultants to do all of this work but they are very expensive and the only equity we have at this time is the ownership shares each of us have purchased. So volunteer work is key at this stage and we cannot easily complete this work with such a small task force. The people stepping up are amazing and doing critical work. It is simply a numbers game and this team is running a short bench. Please consider giving some of your time to help us cross the finish line.

Become an owner volunteer to help us reach our collective goal of a grocery store that meets the needs of our owners and community.

MEET YOUR BOARD

You have a very committed and hard-working board. A lot has been accomplished and we are very excited for what the next year may hold for FRFC!

Pictured left to right are: Lois Bendix, Brandon Otway, Tom Connolly, Casey Dabrowski, Shara Dabrowski, and Garrett Holl.



FREE RANGE FOOD CO-OP



Our Year In REVIEW 2022

TOP TEN HIGHLIGHTS OF 2022

- 1 Began working with a professional Capital Campaign consultant.
- 2 Site selection has progressed through collaboration with a local contractor on possible store sites.
- 3 Received a new applicant for our Board of Directors.
- 4 Six people attended the Up and Coming Conference in Wisconsin.
- 5 Volunteers gave over 300 hours of their time for public events over the last six months.



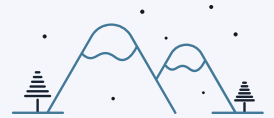
- 6 Continued to strengthen existing and build new relationships with growers and producers.
- 7 Sponsored two free community cooking classes.
- 8 Hosted quarterly book club meetings.
- 9 Began working with a national GM hiring consultant to lay the groundwork to hire our first general manager.
- 10 Began a rebranding process this summer.

OWNER GROWTH

906 owners on 10.12.21

1002 owners on 10.25.22

CHALLENGES IN 2022



Lack of owner engagement placed more work on the shoulders of board members. This slows the completion of site work.

GOALS FOR 2023

- 1 Approve a final site location for the store.
- 2 Fill the open board positions by the end of January 2023.
- 3 Owner volunteer base is large enough to fully staff volunteer opportunities by May 1, 2023.
- 4 Have 1200 owners by December 31, 2023.
- 5 Launch the first phase of our major community investment campaign.
- 6 Write, adopt and implement an equity and inclusion policy.
- 7 Break ground on the store!



CONNECT WITH FRFC

📍 PO Box 842
Grand Rapids, MN 55744

🌐 freerangefood.coop

✉️ freerangefoodcoop@gmail.com

Engage with FRFC
on social media!
@freerangefoodcoop



HOW CAN WE MAKE 2023 Even Better?

Through the cooperative model, we can achieve great things. Together, we own Free Range Food Co-op and we, the owners, will determine the success of the development of our store. With your participation and support, Free Range Food Co-op WILL be a physical space!

Here's to more cooperation in 2023!

MISSION STATEMENT:

"Free Range Food Co-op is a cooperatively-owned grocery store committed to community well-being through access to local, wholesome, organic foods and goods."

VISION STATEMENTS:

Because of us...

1. We have a thriving, cooperatively-owned grocery store which welcomes everyone and cultivates relationships with people in Itasca County and beyond.
2. We have engaged and involved owners who actively work to strengthen the co-op through cooperative ownership and collaboration.
3. We have a growing, resilient, regional food system through direct support to local growers and producers.
4. Our community has a leader that models and promotes sustainable business practices and environmental stewardship.
5. We have a welcoming space where people come together to share ideas, learn, and empower each other through education and cooperation.

PLEASE TELL US WHAT A FOOD CO-OP IN YOUR COMMUNITY MEANS TO YOU:

“Food co-ops are the backbone of any local food system!”

-Comment from owner #922

“Helps keep money in our local families' pockets instead of big corps.”

-Comment from owner #932

YEAR OVER YEAR FINANCIALS

Our board works hard to be responsible with the funds owners have invested in FRFC. Below are this fiscal year's financial statements with last year's for comparison.

BALANCE SHEET FY 2022 JULY 01, 2021 – JUNE 30, 2022

Assets	
Affinity Plus FCU	1,772.23
Affinity Plus FCU Savings	25,150.63
Affinity Savings Reserve	15,695.90
PayPal Merchant	175.00
Accounts Receivable	
Accounts Receivable	2,072.47
Allowance for Doubtful Accounts	-546.50
Inventory Asset	2,868.16
Other Assets	2,992.95
TOTAL ASSETS	\$50,180.84

LIABILITIES AND EQUITY

Liabilities	
Liabilities	8.96
Equity	
Class A Equity	23,775.00
Class B Equity	38,750.00
Class C Equity	26,125.00
Opening Balance Equity	32,843.00
Unrestricted Net Assets	-72,592.94
Net Income	1,271.82
TOTAL EQUITY	\$50,180.84

INCOME STATEMENT FY2022 JULY 01, 2021 – JUNE 30, 2022

INCOME	
Grants, public support	16,698.90
Direct Public Support	136.00
Interest	34.64
PROGRAM INCOME	
Program Income, Fees	367.12
Sale of Promotional products	715.52
Miscellaneous Revenue	99.76
Cost Goods Sold	-1,668.50
TOTAL INCOME	\$16,383.44
OPERATING EXPENSES	
CIC Consultant Fees	3,225.00
Community Outreach	2,892.28
Training Fees	880.00
Meals, Lodging, Mileage	1,160.76
Operations	2,958.19
Credit Card, Misc. Fees	528.05
Advertising	1,905.01
Website, software	1,562.33
TOTAL EXPENSES	\$15,111.62
NET INCOME	\$1,271.82

BALANCE SHEET FY 2021 JULY 01, 2020 – JUNE 30, 2021

Assets	
Affinity Plus FCU	24,666.85
Affinity Plus FCU Savings	1,413.78
PayPal Merchant	200.40
Accounts Receivable	
Accounts Receivable	2,704.50
Allowance for Doubtful Accounts	-546.50
TOTAL ASSETS	\$28,439.03

LIABILITIES AND EQUITY

Liabilities	
Liabilities	4.48
Equity	
Class A Equity	9,325.00
Class B Equity	27,850.00
Class C Equity	25,975.00
Opening Balance Equity	43,343.00
Unrestricted Net Assets	-71,886.23
Net Income	-6,172.22
TOTAL LIABILITIES & EQUITY	\$28,439.03

INCOME STATEMENT FY2021 JULY 01, 2020 – JUNE 30, 2021

INCOME	
Grants, public support and Interest	9,516.50
PROGRAM INCOME	
Sale of Promotional products	395.00
Miscellaneous Revenue	123.00
TOTAL INCOME	\$10,034.50
OPERATING EXPENSES	
Charitable Contributions	500.00
Other Donations	40.00
Community Education Wages	1,661.40
Community Events	356.60
Contract – Pro-Forma	6,500.00
Rent	88.31
Operations	908.94
Website	638.00
Insurance	507.00
Travel, Training, Conferences	605.00
Outreach	4,416.23
PayPal Fees	-14.76
TOTAL EXPENSES	\$16,206.72
NET INCOME	\$-6,172.22

ANNUAL HIGHLIGHTS

Thanks to our amazing volunteers who tabled at all of the community events in the region, another successful spring owner drive with Bryndlewood Farms, and a fall owner drive sponsored by the Itasca County CHIP chapter, we surpassed 1,000 owners this year!

The board continued to do a lot of policy work to ensure the long-term success of both the store and the board by drafting policies, procedures, and expectations. This work will continue as the need arises. This also includes a new by-law proposal for accessibility for people to serve on the board by reducing the initial time commitment from three years down to one.

We hired Katie Novak to help us plan our community investment campaign. She brings many years of experience planning successful campaigns across the country. We also hired Melanie Reid to help us prepare to search for our first general manager.

The board continued to meet online for the first part of the year but were finally able to begin meeting in person at Oak Hill Assisted Living (it's free!). In the interest of equity, we have maintained the Zoom option for people to attend remotely.

Earlier this year, six of us were able to attend Up & Coming, an amazing annual food co-op conference for start-ups like us. It was held in person in Wisconsin and it was a worthwhile experience for each of us. A lot of learning and new connections were made to help us continue toward the path of opening our store.

We were able to get back into our area communities to do our usual tabling events this summer, plus a few new ones. An astonishing 330 hours of work went into event preparation, tabling, and follow-up! We held a volunteer orientation picnic at the beginning of summer and hope to improve our volunteer orientation program over the next year. A lot of work is happening in 2023 and your board is counting on you, as a co-op owner, to volunteer and help make this store happen!

WHAT DID VOLUNTEERS HELP WITH IN 2022?

Frozen Fairways

Downtown Art Fair

T-shirt order fulfillment

New owner contact
& mailings

Party in the Park



Tall Timber Days
(and)

Bovey Farmers Day
parade floats!



Bigfork Wilderness Days

Adopt-A-Highway cleanup

Community cooking
classes

Owner drive with
Bryndlewood Gardens



Children First!
Children's Fair

Itasca County Fair

Owner drive sponsored
by Itasca County CHIP



DEVELOPMENT TIMELINE

As we work through the process towards opening our store, Free Range Food Co-op is following a timeline that includes three main stages of development, with the second and third stages each divided into sub-stages.

This timeline is driven by task completion as well as owner growth and support - both are closely evaluated at each development stage. We will work carefully within this timeline, and address the critical tasks and ownership goals before moving on to the next stage.



“ A food co-op in our community would provide critical access to locally grown organic and non-gmo food that we can trust.

A co-op would also enable us to build stronger relationships with farmers and make us more resilient as a community in these times of economic uncertainty.



-Comment from owner #949

STRATEGIC PLAN

The work we did this year has set up the next steps in the journey to opening our grocery store! In 2023, the board will work toward accomplishing the following goals in order to move us from development stage 2B: *Planning* into stage 3A: *Pre-construction & Capital Campaign*.

1. **Complete Business Plan.**
2. **Develop Community Investment Campaign Model.**
3. **Ensure FRFC has a highly functioning board of directors.**
4. **Maintain our marketing strategy to engage both current and prospective owners.**
5. **Develop Inclusion Policy.**
6. **Strengthen our Owner Volunteer Base.**
7. **Secure a site for the physical store.**

